

# ***Maryland's CONSOLIDATED TRANSPORTATION PROGRAM***

Flying out of Baltimore-Washington International Airport. Crossing the Chesapeake Bay on the William Preston Lane, Jr. Bridge. Riding light rail in Baltimore. Driving an interstate highway to Western Maryland. Receiving cargo through the Port of Baltimore. Renewing your drivers license.

Maryland's transportation system touches the lives of the State's citizens everyday. It influences Maryland's economy, environment, communities, and its overall quality of life. Efforts to maintain the safety, efficiency and condition of this transportation system demand constant attention. This includes thousands of miles of highways and transit routes, a major international airport, a thriving port and the servicing of millions of customers. The Maryland Department of Transportation (MDOT) is the state's largest agency, with nearly 10,000 employees and an annual capital and operating budget of approximately \$2.5 billion.

Every year, the Maryland Department of Transportation releases the State Report on Transportation – a vision of what the transportation system should be and a plan of how that vision will be achieved. The first part of this report, the Maryland Transportation Plan (MTP), sets a vision with goals and policies to guide transportation decision making over the next 20 years. Governor Parris N. Glendening adopted this plan in January of 1999. It is updated every three years.

This document, the Consolidated Transportation Program (CTP), is the second section of the report. It describes how MDOT will achieve its goals, listing projects to be funded over a six-year period. Every year, a draft CTP is presented to local elected officials and citizens throughout Maryland for comment. Then, it is revised and submitted with the Governor's budget to the General Assembly in January, for approval.

About \$1.5 billion in projects have been added to this year's capital budget. This includes two major initiatives of Governor Parris N. Glendening – the Baltimore-Washington International Airport (BWI) and improving transit service. Additions to the CTP include \$766 million for an expansion and upgrades at BWI, ensuring it remains a leader in customer service among commercial airports. The CTP includes \$250 million in capital projects from the Governor's \$750 million transit initiative. The remaining balance will fund highway and other transit improvements, Smart Growth initiatives and projects

at the Port and Motor Vehicle Administrations. The BWI additions were made possible by the addition of \$678 million from alternative financing sources outside of traditional Transportation Trust Fund sources. The transit initiatives are funded through redirected revenue sources.

Maryland's Consolidated Transportation Program remains a unique, flexible funding tool. By having all transportation systems funded under one budget, MDOT can direct resources to specific needs. Also, the system encourages multi-modal solutions, looking for the best mode or modes of transportation to address a problem. Maryland also has a unique process to gather public input from every jurisdiction -- the Secretary's Annual Capital Program Tour.

The following pages provide some background on how to read this document, how the public can get involved, how funding decisions are made and some of the highlights of this year's budget.



**Improving Maryland's quality of life**

# MDOT priorities: How this budget affects your community

**Maintaining the system** - Keeping Maryland's transportation system safe and in good condition are top priorities of MDOT as it updates the CTP every year. Much of this year's transportation funding is directed at maintenance of existing facilities. While there are needs for expanding capacity, systems preservation is an ongoing necessity; roads must be repaved, safety improvements made, aging bridges rehabilitated and buses and trains repaired or replaced.



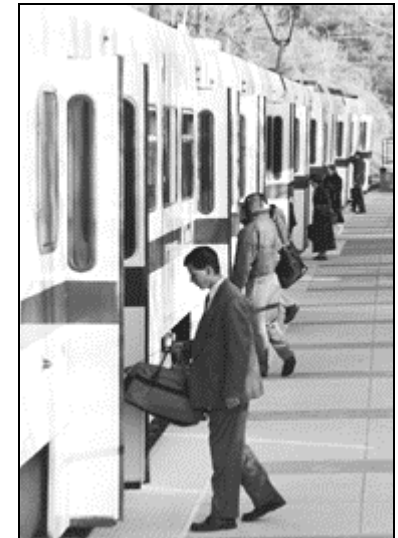
***Preservation  
and safety are  
top priorities***

**Mobility** – The core of MDOT's mission is mobility. This means getting people and goods to destinations and markets. The CTP includes capital projects that preserve and enhance a transportation system to accommodate intrastate, interstate and international travel and to facilitate commerce. These projects are Maryland's investment in our highway, transit, port and aviation facilities that assure a safe and efficient transportation system.

**Smart Growth** – This initiative protects Maryland's farmland, open space and existing communities from sprawl. MDOT uses the CTP as a Smart Growth tool to revitalize communities and slow sprawl.

Smart Growth means focusing our resources in existing communities and where growth can best be accommodated. It means we pay special attention to congestion management, commercial area revitalization, pedestrian and bicycle facilities, noise mitigation and landscaping and aesthetic designs.

**Doubling transit ridership** – Governor Glendening called for Maryland to double transit ridership by the year 2020. This effort includes a recently announced \$750 million plan to create the next generation of transit in Maryland. This will implement Smart Card and other cutting edge technology, simplify the base transit fare structure around the state, purchase new buses and rail cars to provide customers with a better ride, expand existing services to better connect people and opportunities, and develop new transit options including neighborhood shuttles.



***Creating the next  
generation of transit***

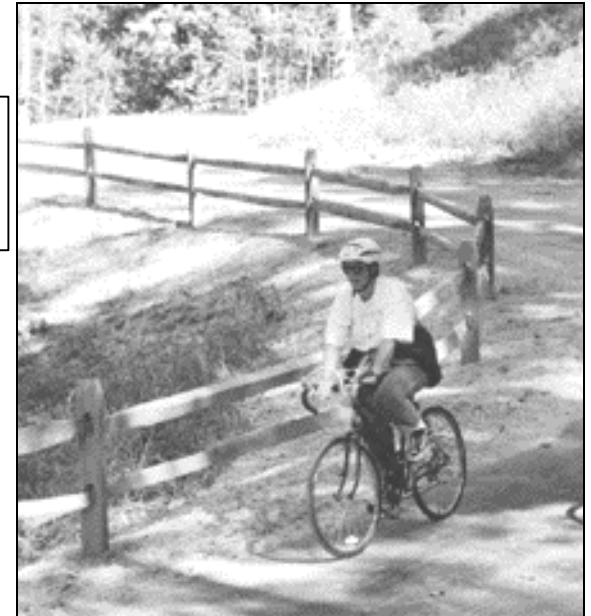
**Economic Development** – Maryland's transportation system plays a crucial role in the State's ability to attract investment and business. Ports, airports, highways and transit systems are all vital in moving people and goods. Maintaining and improving Maryland's reliable, high-quality transportation system is essential for growth in the State's economy. MDOT uses its resources to develop a transportation network that moves goods, retains and expands employment and promotes business and leisure travel and tourism.



***Expanding  
and upgrading  
BWI***

**Environment** – The Maryland Department of Transportation is committed to protecting the environment. The Department ensures that State transportation activities are consistent with goals for restoring the Chesapeake Bay and achieving health-based air quality standards. MDOT is also proactive and innovative in how it addresses environmental concerns, on program and project levels, in daily operations and through public outreach.

**Transportation choices** – Besides improving transit, MDOT is upgrading pedestrian and bicycle facilities to increase the public's transportation choices. Whenever possible, the Maryland State Highway Administration constructs sidewalks along all new or expanded facilities. There is also a program to add sidewalks to existing State facilities. MDOT is currently developing the State's first Bicycle and Pedestrian Access Master Plan. Overseeing this plan is the recently hired Director of Bicycle and Pedestrian Access, a newly created position at MDOT. In Maryland's most congested areas, MDOT also promotes ridesharing and teleworking.



***Providing  
transportation  
choices***

## **Where the money comes from...**

Maryland's transportation system is funded through several dedicated taxes and fees, federal aid, operating revenues, and bond sales, which are all earmarked for a special fund – the Transportation Trust Fund (TTF). This fund is separate from the State's General Fund, which pays for most other State government programs.

Motor fuel taxes, vehicle titling taxes, registration fees and corporate income taxes are user fees paid by our customers for transportation infrastructure and services. Federal-aid and the motor fuel tax are the two largest sources of revenue. Operating revenues include transit fares and usage fees generated at the Port of Baltimore and BWI Airport. Maryland Transportation Authority funds and General fund revenues can also be transferred to the Trust Fund under special circumstances.

Total projected Trust Fund revenues amount to \$15.4 billion for the six-year period covered by this CTP. These are based on assumptions that the economy will continue on a moderate growth scenario. (For more on revenue projections and economic assumptions, see pages A-8 through A-10)

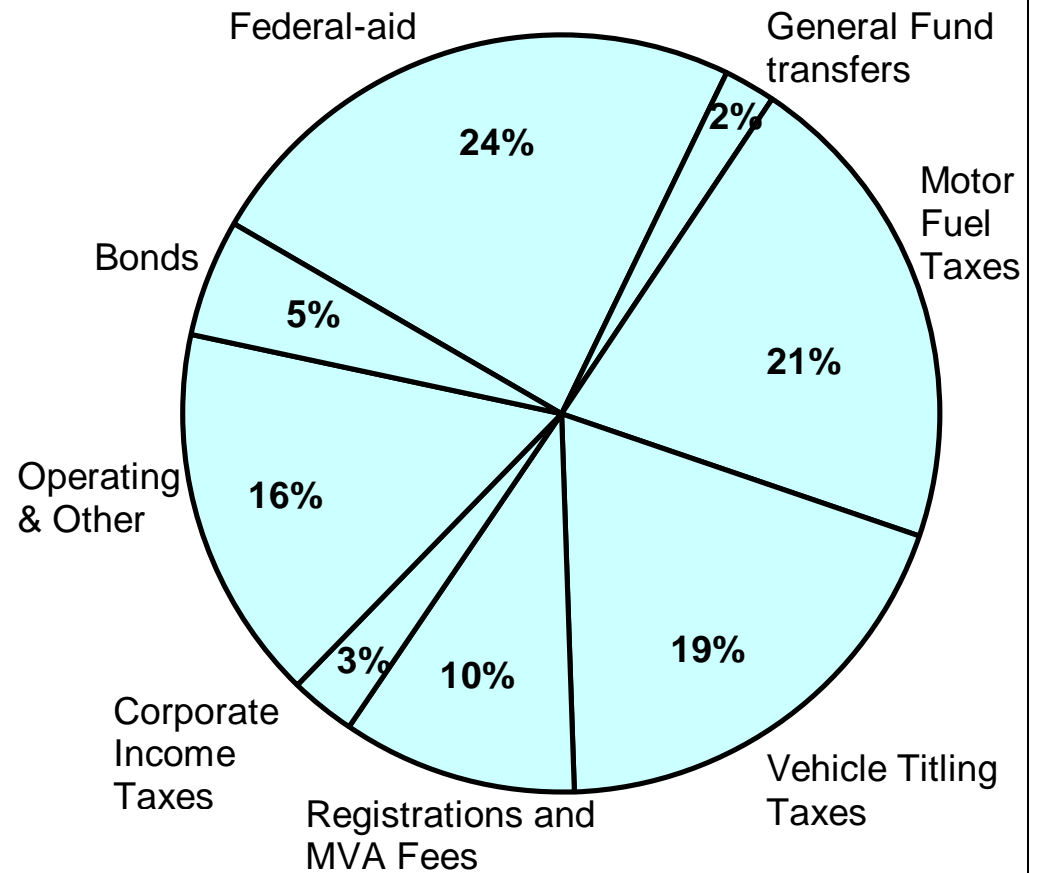
## **Where the money goes...**

The TTF supports operation and maintenance of State transportation systems, MDOT administration, debt service and capital projects. A share of these funds is dispersed among Maryland's counties and Baltimore City for local transportation needs.

After operating costs, debt service, and local distributions, the remaining money goes towards capital projects. This document, Maryland's CTP, is the six-year capital budget for all State transportation projects.

This FY 2001-2006 CTP totals about \$9.5 billion: \$8.3 billion of which comes through the Trust Fund and \$1.2 billion from "Other" fund sources.

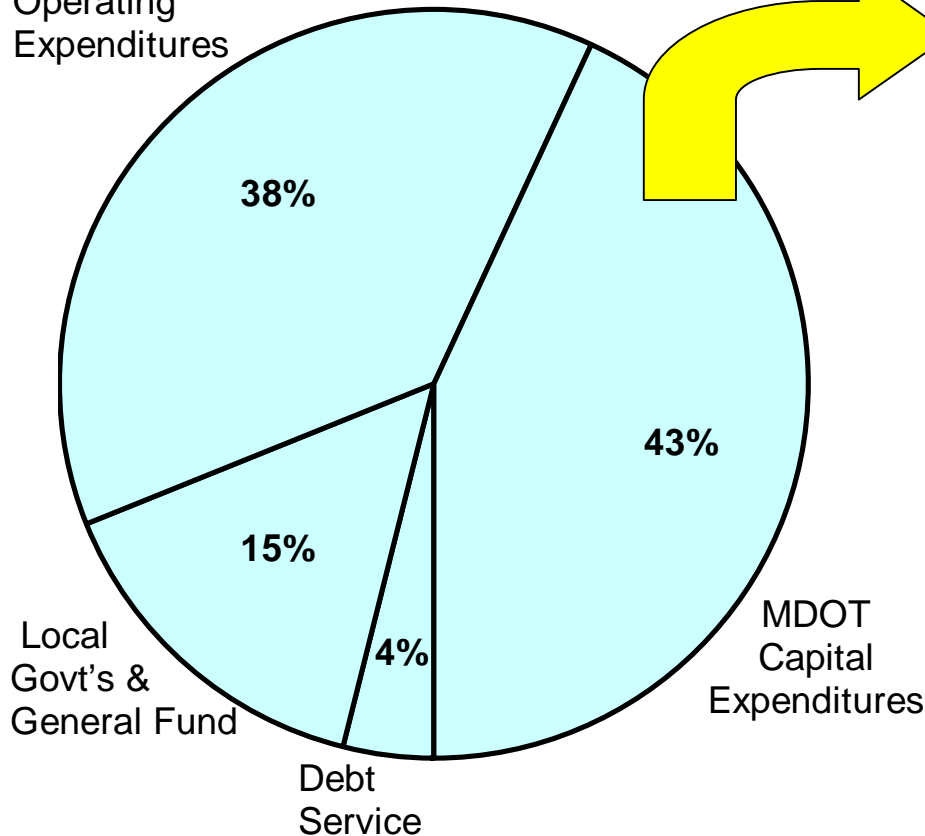
## **Transportation revenues:**



## Transportation Trust Fund:

*Where the revenues go...*

MDOT  
Operating  
Expenditures



## *Capital expenditures:*

### FY 2001-2006 CTP SUMMARY (\$ MILLIONS)

	STATE FUNDS *	FEDERAL AID	OTHER**	TOTAL	PERCENT OF TOTAL
TSO	76.8	3.5	-	80.3	0.8
MVA	129.9	-	-	129.9	1.4
MAA	403.5	129.7	700.3	1,233.5	13.0
MPA	479.4	-	4.5	483.9	5.1
MTA	498.6	974.3	-	1,472.9	15.6
WMAT	481.8	751.2	433.1	1,233.0	13.0
SHA	2,018.5	2,801.2	-	4,819.7	51.0
TOTAL	4,088.5	4,226.8	1,137.9	9,453.2	100.0

\*Special Funds through the Transportation Trust Fund, includes General Fund appropriations.

\*\* Funds not received through the Trust Fund. Includes some funds from MD Transportation Authority, Passenger Facility Charges, Certificates of Participation, Customer Facility Charges, and MD Army National Guard/DOD funds.

TSO – The Secretary's Office  
MVA – Motor Vehicle Administration  
MAA – Maryland Aviation Administration  
MPA – Maryland Port Administration  
MTA – Mass Transit Administration  
WMAT – Washington Metropolitan Area Transit  
SHA – State Highway Administration

## **Shaping Maryland's transportation system**

**The public's role** - When developing Maryland's transportation system, MDOT seeks public input throughout the process of assembling the Maryland Transportation Plan, preparing the CTP, studying possible projects and when designing facilities.

The Maryland Transportation Plan, the department's guiding document, is created in consultation with focus groups of transportation stakeholders and experts. The public then comments on it before the Governor adopts the final version.

The public and local governments also have an important role in shaping this document. Every fall, the Secretary tours each County and Baltimore City to receive input on local priorities. Jurisdictions submit priority lists. Regional bodies also provide input. Projects are more likely to be funded if there is a local consensus behind it. Local input is used to revise the program before it is submitted to the Governor. The Governor then includes the CTP with his budget submission to the General Assembly in January.



***Working with the public***

Through-out the year, the public has many other opportunities to review and comment on specific projects, such as public meetings during planning and environmental review phases. State planners and engineers also work with the public to design projects that reflect sensitivity to the context of the surrounding community and environment.

For information on projects, call the MDOT's Office of Planning and Capital Programming, which assembles the CTP, at 410-865-1275; TTY for the Deaf 410-865-1342. For more information on MDOT and links to each of the modal administrations, visit <http://www.smarttransportation.com>.

**Evaluations** - Every year, the Secretary of MDOT works with the Department's modal administrators to determine which projects to add to the CTP or to advance. MDOT looks at the need for the project based on the level of service, safety and maintenance issues. Then, the project is evaluated for consistency with MDOT goals and objectives. The availability of funding, including federal funds, is evaluated. Also, input by local officials is a major consideration.

**Planning** - Transportation planning and programming in Maryland also is influenced by a number of federal and State legislative initiatives including TEA-21, Clean Air Act Amendments, the Maryland Economic Growth, Resource Protection and Planning Act and the Maryland Smart Growth Act.

Smart Growth calls for State infrastructure spending to be directed into designated growth areas – existing communities and areas planned locally for new growth. In the CTP, major capital project descriptions list whether it is within a Smart Growth Area or if the project appears subject to an exception provision of the law. Also, as new projects are planned, each modal administration conducts an analysis to determine the consistency of the project with local plans and State development policies. This is subject to independent review by the Maryland Transportation Commission. Inconsistent projects are modified to be consistent or are terminated. All new projects added to the FY 2001-2006 CTP are subject to this review.

## **How to read this document**

The Maryland Department of Transportation is divided into agencies responsible for different modes of travel. Projects in the CTP are listed under the agency responsible for them. Within the State Highway Administration section of this document, projects are listed by jurisdiction.

For each major project, there is a Project Information Form (PIF). Each contains a description of the project, its status, its justification, and its compliance status with Smart Growth. A chart shows funds budgeted over the six-year cycle. This is general information and is not intended to provide specifics such as alignments, status of environmental permitting, or alternatives under study.

### **Funding phases**

**Planning** - Once a proposal is funded for project planning, detailed studies and analyses are conducted to establish the scope and location of proposed transportation facilities. Also, the need for the project is evaluated.

**Engineering** - The next phase for funding is the engineering phase. These projects undergo planning and environmental studies and preliminary design. These projects, having been more thoroughly evaluated than those in Project Planning, are candidates for future addition to the Construction Program and are more likely to be built.

**Right-of-Way** – This funding is approved at different points during the project, to provide the necessary land for the project or to protect corridors for future projects.

**Construction** - This last stage includes the costs of actually building the designed facility. Construction does not begin until a project receives necessary environmental permits, the State meets air quality requirements, and contracts are bid.

A project listed in a PIF may not be a specific facility. It also could include corridor studies, which look at multi-modal solutions to transportation needs. One example is the Capital Beltway Corridor Transportation study, which is evaluating High Occupancy Vehicle lanes and transit improvements.

The CTP also contains lists of minor projects which are smaller in scope and less costly such as resurfacing roads, safety improvements, sidewalks and bicycle trails.

Following this introduction are other lists, which can help the reader understand changes in the CTP. One shows significant changes from last year's CTP. It lists major projects added to the CTP or projects that have advanced to a new stage of development. It also lists changes in construction schedules and projects removed from the CTP.

Also, there is information regarding the economic trends and assumptions the CTP is based upon and more information about revenue projections.

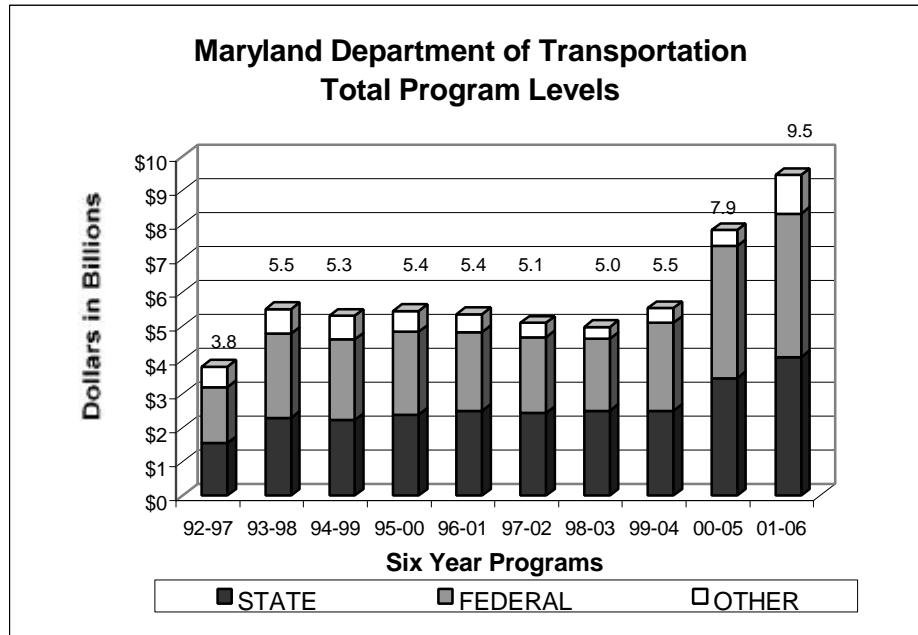
### **Additional copies**

For general information on or additional copies of the CTP or the MTP, call Cindy Johnson, MDOT Office of Planning and Capital Programming, at (410) 865-1288; TTY for the Deaf (410) 865-1342. The charge for the CTP is \$20.00 plus \$2.50 for postage and handling. There is no charge for the MTP. These documents are available in alternative format upon request. This CTP will also be available by May of 2001 on the MDOT web page at <http://www.mdot.state.md.us/ctp/ctp.html>

**Visit MDOT and the modes online:**  
**<http://www.smarttransportation.com/>**

## **PROGRAM HIGHLIGHTS**

The FY 2001-2006 CTP totals about \$9.5 billion. About 45 percent of the capital program will be supported by federal funds, predominately for highway and transit projects.



## **ECONOMIC TRENDS AND ASSUMPTIONS**

The Department's revenue and operating cost projections are based on a long-term "moderate growth" scenario for the nation's economy. The major trends and assumptions are as follows:

- The long-term (6-year) trend in bond interest rates is projected to fluctuate within a range from 4.6 percent to 5.3 percent during the program period with inflation between 2.0 to 3.0 percent annually.
- The nation's economy has experienced a period of sustained growth and is projected to continue to have "business cycles" with:
  - No major external events,
  - No major changes in the law or operating responsibilities of the Department, and
  - The historical relationship between national economic activity and the level of Department tax revenues continuing through the forecast period.
- There are plentiful supplies of gasoline in the marketplace. Gasoline consumption is projected to increase 2.3 percent in FY2001, 2.4 percent in FY 2002 and increase about 1 percent thereafter.
- Auto sales have been increasing consistently due to the combination of improved economic conditions and increased consumer confidence. Now, with pent-up demand satisfied and the economy projected to moderate, auto sales are expected to weaken in FY 2002, and then follow its normal cyclical pattern throughout the forecast period.



## **REVENUE PROJECTIONS**

Total projected revenues amount to \$15.4 billion for the six-year period. This estimate is based on existing revenue sources used by MDOT and includes bond proceeds and federal funds. The projection does not assume any future State tax increases. Pertinent details are as follows:

- **Opening Balance:** It is the goal of the Department to maintain a \$100 million fund balance over the program period to accommodate the Department's working cash flow requirements throughout the year.
- **Motor Vehicle Fuel Tax:** This is projected to be \$2.8 billion over the six-year period. Motor fuel taxes include the 23.5 cents per gallon gasoline and the 24.25 cents per gallon diesel fuel.
- **Motor Vehicle Titling Tax:** This is projected to yield \$2.8 billion. The titling tax of 5 percent of the fair market value of motor vehicles is applied to new and used car sales and vehicles of new residents. This revenue source has cycles with periods of decline and growth. It is projected that the out-years of the six-year planning period will experience a normal business cycle around an underlying upward trend.
- **Motor Vehicle Registration, Miscellaneous, and Other Fees:** These fees are projected to generate \$1.4 billion. This forecast assumes the combination of reduced growth in registered vehicles and change to a heavier vehicle mix will increase the revenues an average of 2.5 percent every two year cycle.
- **Corporate Income Tax:** The transportation share of corporate income tax revenues is estimated to be \$470 million. The Department receives a portion (approximately 25 percent) of the 7 percent corporate income tax.
- **Federal Aid:** This source is projected to contribute \$4.3 billion for operating and capital programs. This amount does not include \$433 million received directly by Washington Metropolitan Area Transit Authority. The majority of federal aid is capital, only \$132 million is for operating assistance. Since federal aid supports approximately half of the capital program, a more detailed discussion of federal aid assumptions is presented in the next section of this summary.

- **Operating Revenues:** These revenues are projected to provide a six-year total of \$2.0 billion, with \$675 million from MTA; \$486 million from MPA; and \$876 million from MAA. MTA revenues primarily include rail and bus fares. MPA revenues include terminal operations, the World Trade Center, and other port-related revenues. These MPA revenues are projected to increase an average of 2.5 percent annually. MAA revenues include flight activities, rent and user fees, parking, airport concessions, and other aviation-related fees. These revenues are forecast to include additional revenues from the garage and terminal expansion, and to increase an average of 4.5 percent annually.
- **Bond Proceeds:** It is projected that \$1.0 billion of bonds will be sold in the six-year period. The level of bonds which can be issued is dependent on the net revenues of the Department. This level of bonds is affordable within the financial parameters used by the Department.
- **Other Sources:** The remaining sources are projected to provide \$506 million. Transfers from the State's General Fund for two large capital projects account for \$370 million. The remaining \$136 million includes investment income of trust funds, reimbursements, and miscellaneous revenues.

## **FEDERAL AID ASSUMPTIONS**

The Transportation Equity Act for the 21st Century (TEA-21) authorized funding levels for transit and highways for federal fiscal years (FFY) 1998 through 2003, and represented a significant change in the way the funds are distributed and used. TEA-21 authorized a minimum level of guaranteed highway and transit funding which is expected to result in significantly higher funding than previous acts.

The ability to complete the program as scheduled, will, of course, depend upon actual federal appropriations. Transit funding is of particular concern. An estimated 37 percent of the transit funds are discretionary and are dependent on annual appropriation earmarks.

Specific federal aid assumptions and issues relating to the Department's program are detailed as follows:

**Transit:** The FFY 2001 FTA Urbanized Area capital assistance for Baltimore, Washington and Small Urban Systems for Bus, Metro, Light Rail, and MARC is \$45.1 million. An annual estimated amount of \$46 million is assumed for the period of FFY 2001 to FFY 2003.

The MTA has assumed an average annual amount of \$25 million from FFY 2001 to FFY 2003 for rail modernization funds.

The TEA-21 authorizes a maximum of \$185 million in New Starts funds for MARC improvements for FY 1998 to FY 2003. The actual appropriation for MARC was \$31 million in FFY 1998, \$17 million in FFY 1999, \$2.2 million in FFY 2000, and \$10 million in FFY 2001. In light of the high level of competition for discretionary earmarks, the Department has estimated future federal appropriations for a total of \$120 million over the program period.

TEA-21 authorizes \$120 million for Baltimore Central Light Rail Double-tracking. There was an appropriation of \$1.0 million in FFY 1999, \$4.7 million in FFY 2000, and \$3 million in FFY 2001. The Department has estimated future federal appropriations of \$111 million over the program period.

**Highways:** Federal highway programs are authorized by multiple-year legislation. The funds authorized and apportioned to the states are subject to annual ceilings which determine how much of the authorized money can be obligated in a given year. This ceiling is referred to as Obligational Authority (OA) and is imposed by Congress annually in response to prevailing economic policy. Under ISTEA, which authorized funds from federal fiscal year 1992 through federal fiscal year 1997, OA ranged from 80.5 percent to 105.3 percent. This CTP assumes the level of OA from TEA-21 at 87 percent of apportioned funds for FFY 2001 and thereafter.

The Department has taken advantage of a TEA-21 provision to proceed with some federal aid projects now even though federal aid will not be available until later. This "advanced construction" provision allows the use of State funds now, which will later be reimbursed with federal aid as it becomes available. This is done for selected projects in an effort to start construction as early as possible to help meet specific highway needs.

Transfers between federal funding categories allowed under TEA-21 is assumed in order to match available federal aid to the schedule of qualifying projects.

**Washington Metropolitan Area Transit Authority:** For WMATA Metrorail construction, the post Stark-Harris authorization provides a federal participation rate of 62.5 percent. This program assumes an annual federal apportionment of \$200 million through FFY 1998 and \$50 million in FFY 1999.

There are no additional federal funds provided after FFY 1999, based upon the "Fast Track" Metrorail Construction Program schedule. Local expenditures that match prior federal funding contributions will continue beyond FY 1999.

WMATA also receives federal formula funds (80 percent federal share) for bus and rail preservation activities. The annual amount of these funds is based on actual and projected federal funding levels provided under TEA-21.

TEA-21 authorizes construction of the Addison Road to Largo Extension of the Washington Metro. There was an appropriation of \$1 million for the extension in FFY 1999, \$4.7 million in FFY 2000, and \$7.5 million in FFY 2001. A Full Funding Grant Agreement was approved in December of 2000. As a result, the Department will receive an additional \$260 million of federal funds for the project.

In addition to federal funds received directly by WMATA, MDOT has budgeted additional Congestion Mitigation and Air Quality federal funds to be used by WMATA for critical preservation activities.

**Aviation:** Federal entitlement and discretionary funding for airport projects are currently provided by the Federal Aviation Administration through the Airport Improvement Program (AIP). It is assumed that entitlement funding calculated using enplanement and cargo-based formulas for BWI will total \$21 million for the six-year program period.

The MAA anticipates an additional \$85 million in new discretionary AIP funding for BWI and Martin State Airports during the six-year program period. If discretionary funds are not forthcoming as assumed, the schedule of impacted projects will be adjusted accordingly.